



Fiscal Year 2024 Proposed Budget Hearing



Presentation Outline

- Property & Sales Tax Overview
- General Fund Forecast
- Utility Fund Forecasts
- Utility Rate Changes
- Capital Improvement Program
- Environmental Services Fund

Property Tax Rate

Proposed Tax Rate

Maintenance & Operation	\$0.354780 / \$100
Debt Service	\$0.205902 / \$100
Total Proposed Tax Rate	\$0.560682 / \$100

No-New-Revenue Rate	\$0.494865 / \$100
Voter Approval Rate	\$0.570783 / \$100
Published Max Tax Rate	\$0.565682 / \$100

Tax Rate History

Fiscal Year	Operations Rate	Debt Rate	Total Rate	Average Taxable Value	Average Tax Bill	<u>Proposed Rate</u>
2024	\$0.35498	\$0.20569	\$0.56068	\$344,731	\$1,932	
2023	\$0.35643	\$0.20425	\$0.56068	\$307,283	\$1,723	
2022	\$0.35030	\$0.21538	\$0.56568	\$275,361	\$1,558	
2021	\$0.38036	\$0.21009	\$0.59045	\$259,097	\$1,530	
2020	\$0.38536	\$0.20509	\$0.59045	\$248,909	\$1,470	
2019	\$0.40543	\$0.21505	\$0.62048	\$233,165	\$1,447	
2018	\$0.43031	\$0.20755	\$0.63786	\$214,376	\$1,366	

- The proposed budget includes a tax rate equal to \$0.560682. Of this amount, \$0.354985 is provided to operation and maintenance expense and \$0.205697 for debt.
- The maintenance and operations rate decreased by \$0.00145, and the debt service rate will increase by \$0.00145.
- The average residential property owner will see a **\$17.41/month** or **\$209/year** increase in their City property taxes.

Tax Bill Impact

Residential Annual Tax and Utility Bill Impact

Fiscal Year	2022	2023	2024	Comments
Tax Impact				
Tax Rate	\$0.56568	\$0.56068	\$0.56068	No Rate Change
Average Taxable Value	\$275,361	\$307,283	\$344,731	
Average Tax Bill	\$1,558	\$1,723	\$1,932	\$209 Annual Increase
Utility Impact				
Water	\$531	\$531	\$531	No Rate Change
Wastewater	\$378	\$378	\$420	11% Increase
Electric	\$1,334	\$1,334	\$1,334	No Rate Change
Solid Waste	\$246	\$246	\$246	No Rate Change
Average Utility Bill	\$2,489	\$2,489	\$2,531	\$42 Annual Increase
Total Average Bill	\$4,047	\$4,212	\$4,463	\$251 Annual Increase

General Fund Forecast

	FY 2022-2023		FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028						
	Adopted	Estimate		Proposed	Projected	Projected	Projected	Projected						
Beginning Fund Balance	\$	41,019,401	\$	46,100,223	\$	45,433,542	\$	47,824,533	\$	50,232,158	\$	51,870,673		
Property Tax	\$	57,777,662	\$	57,223,654	\$	64,966,347	\$	67,303,048	\$	69,710,037	\$	72,188,416	\$	74,739,222
Sales Tax		54,722,022		56,704,324		57,545,000		58,961,162		60,459,150		62,036,431		63,691,025
Franchise Agreements		2,716,117		6,262,879		4,644,220		5,221,305		5,966,233		6,996,256		7,596,694
Other Taxes		458,003		446,728		456,554		492,556		531,397		573,301		618,509
Service Fees		8,370,595		9,211,368		12,227,100		12,686,615		13,417,866		14,207,560		15,061,591
Fines and Fees		2,396,756		1,867,509		1,893,586		1,922,688		1,955,000		1,990,754		2,030,226
Licenses and Permits		8,858,784		6,285,067		7,934,673		8,288,827		8,661,817		9,054,701		9,468,599
Transfers / Other Revenue		47,559,446		37,903,916		39,402,084		40,409,882		41,592,465		42,078,253		43,515,979
Total Revenue	\$	182,589,385	\$	175,905,443	\$	189,069,564	\$	195,286,082	\$	202,293,966	\$	209,125,673	\$	216,721,846
Personnel Services	\$	113,728,222	\$	117,687,993	\$	128,000,228	\$	132,601,094	\$	137,589,404	\$	143,513,284	\$	148,512,030
Materials & Supplies		3,980,661		3,648,934		4,387,609		4,519,237		4,654,814		4,794,459		4,938,293
Maintenance & Repair		2,102,822		2,079,830		2,230,716		2,297,637		2,366,567		2,437,564		2,510,691
Insurance		3,253,712		3,576,672		4,124,565		4,330,793		4,547,333		4,774,700		5,013,435
Miscellaneous		2,687,199		2,209,621		3,113,469		3,206,873		3,303,079		3,402,172		3,504,237
Operations		20,721,674		21,571,228		22,432,389		23,236,458		23,945,394		24,704,377		25,548,674
Transfers & Other Expenses		35,789,990		25,264,980		24,062,638		22,082,972		22,856,656		23,589,838		24,309,272
Fixed Assets		588,567		532,866		601,967		620,026		638,627		657,786		677,519
Total Expenditures	\$	182,852,847	\$	176,572,124	\$	189,069,564	\$	192,895,091	\$	199,886,341	\$	207,487,158	\$	214,076,687
Ending Fund Balance	\$	41,025,939	\$	45,433,542	\$	45,433,542	\$	47,824,533	\$	50,232,158	\$	51,870,673	\$	54,515,832
Change in Fund Balance	\$	6,538	\$	(666,681)	\$	-	\$	2,390,991	\$	2,407,625	\$	1,638,515	\$	2,645,159
Fund Balance as % of Total Expenditures		22.43%		25.73%		24.03%		24.79%		25.13%		24.99%		25.46%

Supplemental Packages – General Fund

Department	Program Title	FTEs	Total Cost
Non-Departmental	Merit Increase, Fire Station Land Acquisition	-	\$1,911,634
Fire	Firefighters, Quartermaster, EM Specialist	12*	950,344
Police	Police Sergeant, Digital Forensic Analyst, Civilian Jailer	3	466,583
Community Services	CIS Solid Waste Officer, Homeless Programs Coordinator Reclass, Ambassador Program	1	653,880
Animal Services	Technician, Animal Services Officer, Volunteer Coordinator	3	185,982
Development Services	Building Inspector, Tree & Landscape Planner	2	245,330
Library	Senior Library Specialist	0.5	28,609
Human Resources	Recruitment Strategies, Reorganization	1	65,000
Parks & Recreation	Parks Foundation Position, Field Service Worker II	2.5	111,611
Internal Audit	Compliance Specialist	1	90,903
Economic Development	Main Street Position, EDP Contract Increase	1	50,000
City Manager's Office	Senior Management Analyst, Safety Messaging, City Hall Design	1	218,714
Total		28	\$4,978,590



Utility Funds & Rates

Electric Five Year Forecast

	FY 2023 Estimate	FY 2024 Proposed	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Beginning Fund Balance	\$140,776,983	\$170,213,170	\$152,456,771	\$140,147,277	\$139,577,738	\$138,249,485
REVENUES	\$316,608,744	\$290,397,196	\$307,646,930	\$324,875,153	\$337,761,294	\$353,638,260
Use of Reserves	-	17,756,399	12,309,494	569,539	1,328,253	-
TOTAL RESOURCES	\$316,608,744	\$308,153,595	\$319,956,424	\$325,444,693	\$339,089,547	\$353,638,260
EXPENDITURES	\$287,172,556	\$308,153,595	\$319,956,424	\$325,444,693	\$339,089,547	\$348,735,746
NET INCOME/LOSS	\$29,436,187	(\$17,756,399)	(\$12,309,494)	(\$569,539)	(\$1,328,253)	\$4,902,514
Working Capital Balance ¹	\$22,973,805	\$24,652,288	\$25,596,514	\$26,035,575	\$27,127,164	\$27,898,860
Operating Reserve Balance ²	147,239,366	127,804,484	114,550,763	113,542,162	111,122,321	115,253,139
Total Ending Fund Balance	\$170,213,170	\$152,456,771	\$140,147,277	\$139,577,738	\$138,249,485	\$143,151,999
PROPOSED RATE INCREASES	0.0%	0.0%	4.0%	4.0%	4.0%	4.0%

Water Five Year Forecast

	FY 2023 Estimate	FY 2024 Proposed	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Beginning Fund Balance	\$ 29,588,453	\$ 30,178,974	\$ 34,625,438	\$ 33,358,410	\$ 39,602,166	\$ 43,676,919
REVENUES	\$ 55,776,228	\$ 63,155,444	\$ 83,838,367	\$ 80,906,395	\$ 79,377,832	\$ 83,823,121
Use of Reserves	-	-	1,267,028	-	-	-
TOTAL RESOURCES	\$ 55,776,228	\$ 63,155,444	\$ 85,105,395	\$ 80,906,395	\$ 79,377,832	\$ 83,823,121
EXPENDITURES	\$ 55,185,707	\$ 58,708,981	\$ 85,105,395	\$ 74,662,639	\$ 75,303,079	\$ 74,307,924
NET INCOME/LOSS	\$ 590,521	\$ 4,446,464	\$ (1,267,028)	\$ 6,243,756	\$ 4,074,753	\$ 9,515,196
Working Capital Balance	\$ 18,211,283	\$ 19,373,964	\$ 28,084,780	\$ 24,638,671	\$ 24,850,016	\$ 24,521,615
Operating Reserve Balance	27,592,854	29,354,491	42,552,698	37,331,320	37,651,540	37,153,962
Total Ending Fund Balance	\$ 30,178,974	\$ 34,625,438	\$ 33,358,410	\$ 39,602,166	\$ 43,676,919	\$ 53,192,115
Development Plan Lines Reserve	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
PROPOSED RATE INCREASES	0.0%	0.0%	7.0%	8.0%	9.0%	3.0%

Wastewater Five Year Forecast

	FY 2023 Estimate	FY 2024 Proposed	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Beginning Fund Balance	\$ 28,123,711	\$ 15,274,836	\$ 13,743,770	\$ 15,778,756	\$ 17,498,945	\$ 20,133,710
REVENUES	\$ 39,473,611	\$ 43,796,193	\$ 54,094,538	\$ 61,053,201	\$ 64,046,172	\$ 71,034,507
Use of Reserves	12,848,875	1,531,066	-	-	-	-
TOTAL RESOURCES	\$ 52,322,486	\$ 45,327,259	\$ 54,094,538	\$ 61,053,201	\$ 64,046,172	\$ 71,034,507
EXPENDITURES	\$ 52,322,486	\$ 45,327,259	\$ 52,059,553	\$ 59,333,012	\$ 61,411,406	\$ 69,600,776
NET INCOME/LOSS	\$ (12,848,875)	\$ (1,531,066)	\$ 2,034,985	\$ 1,720,189	\$ 2,634,765	\$ 1,433,731
Working Capital Balance	\$ 14,650,296	\$ 12,691,633	\$ 14,576,675	\$ 16,613,243	\$ 17,195,194	\$ 19,488,217
Operating Reserve Balance	20,405,769	17,677,631	20,303,226	23,139,875	23,950,448	27,144,303
Total Ending Fund Balance	\$ 15,274,836	\$ 13,743,770	\$ 15,778,756	\$ 17,498,945	\$ 20,133,710	\$ 21,567,441
Development Plan Lines Reserve	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
PROPOSED RATE INCREASES	0.0%	11.0%	11.0%	12.0%	10.0%	10.0%

Solid Waste Five Year Forecast

	FY 2023 Estimate	FY 2024 Proposed	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Beginning Fund Balance	\$ 12,138,900	\$ 10,797,452	\$ 9,259,362	\$ 8,825,468	\$ 8,872,708	\$ 8,375,765
REVENUES	\$ 38,398,374	\$ 39,334,829	\$ 41,054,948	\$ 43,288,915	\$ 44,591,514	\$ 47,806,724
Use of Reserves	1,341,448	1,538,090	433,894	-	496,942	-
TOTAL RESOURCES	\$ 39,739,822	\$ 40,872,919	\$ 41,488,842	\$ 43,288,915	\$ 45,088,456	\$ 47,806,724
EXPENDITURES	\$ 39,739,822	\$ 40,872,919	\$ 41,488,842	\$ 43,241,676	\$ 45,088,456	\$ 46,178,190
NET INCOME/LOSS	\$ (1,341,448)	\$ (1,538,090)	\$ (433,894)	\$ 47,239	\$ (496,942)	\$ 1,628,534
Working Capital Balance ¹	\$ 5,563,575	\$ 5,722,209	\$ 5,808,438	\$ 6,053,835	\$ 6,312,384	\$ 6,464,947
Operating Reserve Balance ²	7,153,168	7,357,125	7,467,992	7,783,502	8,115,922	8,312,074
Total Ending Fund Balance	\$ 10,797,452	\$ 9,259,362	\$ 8,825,468	\$ 8,872,708	\$ 8,375,765	\$ 10,004,300
PROPOSED RATE INCREASES	0.0%	0.0%	0.0%	1.0%	3.0%	0.0%

Proposed Fee Changes

Department	Description	FY 2023	FY 2024
Solid Waste and Recycling	COD – Grass, Leaves, Brush <12'	\$25	\$30
	COD – Grass, Leaves, Brush >12'	30	35
	Non-COD – Brush Rate	35	40
	Cart Change Fee	-	50
	Recycling Cart*	-	15
	Contaminated Grass, Brush, Leave	44	-
	Whole Trees & Stumps	50	-
	Clean Concrete	22	-
Wastewater	Dyno Dirt Overs (per cubic yard)	3	-
Electric	Rooftop Solar Rebate	Eliminated	

*The fee would only apply to residents receiving 3 or more recycling carts

Proposed Rate Changes

Utility Rate Increases / (Decreases)									
Utility	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Electric	4.50%	4.50%	-1.20%	-3.50%	-	-	-	-	-
Water	6.30%	4.30%	-	-	-	-2.00%	-	-	-
Wastewater	2.70%	1.80%	-	-5.00%	-	-	-	-	11.00%
Solid Waste	2.40%	4.00%	-	-12.00%	-12.00%	-5.00%	-	-	-

- The FY 2024 budget proposes a rate increase of 11% for Wastewater.
- No proposed rate increases for Electric, Water, or Solid Waste.



Capital Improvement Program

5-Year CIP Expenditure & Funding

General Government Summary

CATEGORY	2024	2025	2026	2027	2028	TOTAL
2019 Bond Election (Proposition 1) - Streets	\$ 35,600	\$ 18,900	\$ -	\$ -	\$ -	\$ 54,500
General Government - Finance ERP Replacement	-	4,500	4,500	-	-	9,000
General Government - Facility Improvements	24,799	33,440	10,428	9,240	9,900	87,807
General Government - Parks Improvements	2,089	2,093	5,958	4,938	8,461	23,466
General Government - Traffic Improvements	2,398	2,398	2,398	2,398	1,950	11,542
General Government - Fleet Management Improvements	2,650	-	-	-	-	2,650
General Government - Vehicle/Equipment Additions	1,535	-	-	-	-	1,535
General Government - Vehicle/Equipment Replacements	5,500	4,396	5,564	3,342	3,342	22,144
General Government - Technology Services Improvements	17,532	7,437	8,902	7,260	7,217	48,348
General Government - Drainage Improvements	1,350	1,427	1,979	2,379	4,000	11,135
General Government - Parking Lot Reconstruction	931	200	200	200	200	1,731
General Government - Roadway Improvements	21,500	8,000	-	-	-	24,000
Franchise Fees - Neighborhood Street Reconstruction	5,700	6,000	6,300	6,600	7,000	31,600
General Fund - Bike Lanes	200	200	200	200	200	1,000
General Fund - Parks Capital Maintenance	300	300	300	300	300	1,500
General Fund - Recreation Center Capital Maintenance	250	250	250	250	250	1,250
General Fund - Aquatics Capital Maintenance	350	350	350	350	350	1,750
Impact Fees - Street Improvements	3,675	3,850	4,000	4,200	4,400	20,125
GRAND TOTAL	\$ 126,352	\$ 93,741	\$ 51,829	\$ 56,657	\$ 47,570	\$ 376,155
Revenue Funded	\$ 6,800	\$ 7,100	\$ 7,400	\$ 7,700	\$ 8,100	\$ 37,100
Impact Fees	3,675	3,850	4,000	4,200	4,400	20,125
General Obligation Bonds	35,600	18,900	-	-	-	54,500
Certificates of Obligation	80,283	63,891	40,429	44,757	35,070	264,358
GRAND TOTAL	\$ 126,352	\$ 93,741	\$ 51,829	\$ 56,657	\$ 47,570	\$ 376,155

5-Year Utility CIP Expenditure & Funding

Utility/Enterprise Fund Summary

	2024	2025	2026	2027	2028	TOTAL
Electric	\$ 93,150	\$ 99,630	\$ 89,106	\$ 73,292	\$ 56,723	\$ 411,901
Water	96,519	118,586	90,054	47,865	24,701	377,725
Wastewater	62,000	74,312	74,876	74,436	98,952	384,576
Solid Waste	10,655	8,895	11,521	13,010	10,302	54,383
Total Preliminary Projects	\$ 262,324	\$ 301,423	\$ 265,558	\$ 208,603	\$ 190,677	\$ 1,228,585
Certificates of Obligation	\$ 228,341	\$ 248,276	\$ 233,654	\$ 189,454	\$ 176,560	\$ 1,076,286
Revenue Funded Capital	21,973	19,286	11,591	11,638	6,647	71,134
Cost Participation	3,700	6,000	1,250	1,050	-	12,000
Impact Fee Funding	5,000	25,000	16,500	3,500	5,000	55,000
Vehicle Replacement Fund	3,310	2,861	2,563	2,961	2,470	14,165
Total Funding	\$ 262,324	\$ 301,423	\$ 265,558	\$ 208,603	\$ 190,677	\$ 1,228,585

Environmental Services Fund

- Environmental Services currently operates within the General Fund, Water, Wastewater, & Solid Waste creating financial and operational inefficiencies.
- Propose to create an Environmental Services Fund by consolidating existing divisions under one account structure. No additional funding requested, existing budgets will shift.
- Fund Structure
 - Administration
 - Water Sustainability (Currently in Water)
 - Industrial Pretreatment (Currently in Wastewater)
 - Municipal Labs (Currently in Water and Wastewater)
 - Gas Well Inspection (Currently in General Fund)
 - Landfill Compliance (Currently in Solid Waste)

Next Steps

- September 26, 2023 – City Council adopts the following:
 - Budget
 - Tax Rate
 - Rates
 - Capital Improvement Plan

Questions

